



Interwest Mining Company
Huntington Office
P. O. Box 310
15 North Main Street
Huntington, UT 84528

February 01, 2019

Utah Coal Program
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Subj: Amendment to Deer Creek Mine Permit C/015/0018 – Update Permit to Include Phase III Bond Release for the Left Fork Portal Site

PacifiCorp, by and through its wholly-owned subsidiary, Interwest Mining Company (Interwest), hereby submits an application to amend and update the Deer Creek Mine Permit, to include the approval of the post-mining land use change and Phase III Bond Release for the Left Fork Portal Site in Rilda Canyon, approved by UDOGM on January 29, 2019.

The addendum to the Engineering Section is intended to present the history of the Deer Creek Mine Left Fork portals bond release, to show that the post-mining land use has changed and the reasons for the change, and that the site has been released from bond. A C2 form is included as requested in the approval letter.

If you have any questions or concerns regarding this notification, please contact myself at 435-687-4712 or Dennis Oakley at 435-687-4825.

Sincerely,

Kenneth Fleck
Geology and Environmental Affairs Manager

Cc: Chuck Semborski, IMC
Dennis Oakley, IMC
Scott Child, IMC
file

APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: PacifiCorp

Mine: Deer Creek Mine

Permit Number: C/015/0018

Title: Amendment to Deer Creek Mine Permit – Update Permit to Include Phase III Bond Release for the Left Fork Portal Site, Deer Creek Mine, C/015/0018, Emery County, Utah.

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

Deer Creek Mine Permit, Volume 2, R645-301-500: Engineering Appendix R645-301-500-B - Rilda Canyon Left Fork Portal Facilities

[illegible]

Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

Received by Oil, Gas & Mining

DEER CREEK MINE

C/015/0018

INCORPORATED

JAN 29 2019

Volume 2 R645-301-500: Engineering

Appendix R645-301-500-B

Div. of Oil, Gas & Mining

Rilda Canyon Left Fork Portal Facilities



**Post Mining Land Use Change and Phase III Bond Release
Approval for the Deer Creek Mine
Rilda Canyon Left Facilities**

**Post Mining Land Use Change and Phase III Bond Release Approval for the
Deer Creek Mine
Rilda Canyon Left Facilities**

PacifiCorp, by and through its wholly-owned subsidiary, Interwest Mining Company "Interwest", submitted an application to the Division of Oil, Gas and Mining - an application for Phase III Bond Release for 2.33 acres of the Deer Creek Mine Rilda Canyon Left Fork Facility on October 29, 2018. A Phase III Bond Release decision was prepared by the Division of Oil, Gas and Mining and distributed to OSM on January 7, 2019. The OSM, Denver Field Division, submitted a letter dated January 29, 2019 which agreed with the Division's findings and decision document and concurred with the bond release action. The Division notified Interwest Mining Company in writing of the approval of the Phase III Bond Release on January 29, 2019.

As required by the State of Utah, R645-Coal Mining Rules (R645-301-880), all adjoining property owners, local governmental bodies, etc., were notified, informing them of the operator's intention to seek release from bond. A public notice was published in the ETV News Progress commencing on November 6, 2018 and ran for four (4) consecutive weeks.

The locations of the areas approved for bond release are as follows:

Deer Creek Mine Rilda Canyon Left Fork Facility

Legal Description, NE $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 29, T16S, R7E, SLB&M

The Deer Creek Mine has a long history of mining operations which began in the 1940's. Peabody Coal acquired the Deer Creek Mine in 1958 and commenced developing the mine using modern technologies. In March 1977, Utah Power & Light acquired the mine from Peabody Coal and was officially listed as the lessee on September 1, 1977.

In the 1990's, as mining in the Deer Creek Mine proceeded northward across the Roans Canyon Fault, ventilation modeling indicated the need for additional capacity. PacifiCorp proposed construction of mine facilities in the Left Fork of Rilda Canyon approximately 12 miles west of the town of Huntington in Emery County, Utah. Initial plans involved relocating the entire Deer Creek Mine complex to Rilda Canyon. After several design iterations, PacifiCorp downsized the disturbed area to approximately 2.3 acres using innovative construction techniques to minimize the disturbance along the access road and pad. Infrastructure completed in 1995 included:

- 1200' foot access road from the end of Emery County Road #306 to the pad area. Elevated sections of the road incorporated welded wire retaining walls to minimize disturbance
- Elevated pad area of less than one acre developed with the use of Hilfiker welded wire retaining walls

INCORPORATED

JAN 29 2019

Div. of Oil, Gas & Mining

- Two portal breakouts, intake and return, in the Blind Canyon seam
- Electrical substation and grounding field
- High pressure pumphouse, water tank, and MCC building
- Two exhaust fans

The Left Fork facilities were an integral part of the Deer Creek Mine complex and remained operational until December 2017.

PacifiCorp officially announced the closure of the Deer Creek Mine on December 2014. Since the closure announcement, large portions of the southern area of the mine were sealed off during April 2015, with the remaining Rilda Canyon portion left open while implementing mitigation measures to handle anticipated intercepted groundwater. The final sealing of the Rilda Canyon Right Fork portals consisted of first constructing a water drainage system inclusive of an in-mine collection gallery together with the construction and permanent placement of a buried water pipeline (10" HDPE pipe) from the Rilda Canyon Right Fork portal to the Huntington Power Plant raw water pond (approximately 6 miles). This pipeline project was completed in November 2017.

The final Rilda Canyon portal sealings consisted of two 25-foot thick concrete portal plugs with water drains, one each in the 1st Right facility fan and roadway portals that were constructed on November 8 and 10, 2017, and high strength Strata panel portal seals, one each in the Left Fork facility fan and roadway portals completed on December 18 and December 20, 2017. The portal seals were constructed to meet or exceed regulatory requirements of 30 CFR 75.1711.

In-mine environmental inspections for the entire Deer Creek Mine were systematically conducted with Bureau Land Management and Division of Oil, Gas & Mining (DOGM) representatives during the course of mine closure activities. On November 29, 2017, a final mine inspection was conducted with the BLM and DOGM representatives in attendance to inspect for hazardous materials and witness the underground conditions prior to the final sealing of the Rilda Canyon portals.

With the final sealing of the Rilda Canyon mine portals complete, the final abandonment and closure of the Deer Creek Mine is concluded including the placement of permanent portal seals for the entire mine complex in accordance with the approved plans. Having all mine portals finally sealed, PacifiCorp submitted a Notice-of-Intent to the governmental agencies on February 26, 2018 announcing plans to commence with final reclamation activities of the Rilda Canyon Left Fork complex per the approved reclamation plan under mine permit C/015/0018.

PacifiCorp commenced demolition activities of the Left Fork facilities on January 2, 2018. Demolition of these support facilities was complete on February 9, 2018. In addition to the demolition activities, PacifiCorp's contractor excavated and hauled excess fill from the Left Fork

pad to the 1st Right portal facility to cover the newly constructed mine water relief pipeline. Haulage of the excess fill to cover the pipeline was completed on February 22, 2018.

With all surface structures and excess fill removed, the Left Fork facilities now consisted of a mine access road, approximately 1200' in length with an elevated fill pad by the sealed portals. Total disturbance of the Left Fork facility is approximately 2.33 acres. The approved DOGM reclamation plan for the Deer Creek Mine requires PacifiCorp to re-establish a Forest Development Trail from the terminus of Emery County Road #306 to the western boundary of the disturbed area. However, in reviewing the Forest Service trail map, it indicated the only Forest Development Trail is in the Right Fork of Rilda Canyon, with no reference to a trail in the Left Fork. On February 22, 2018 PacifiCorp discussed the final reclamation plans of the Left Fork facilities, including re-establishment of the Development Trail in the Left Fork, with Bill Broadbear. During these discussions, Mr. Broadbear indicated that establishing a trail in the Left Fork would serve no benefit and would prefer PacifiCorp to conduct complete reclamation/restoration of the area without a trail. March 14, 2018 the USFS approved removing the requirement to establish a forest development trail in the Left Fork of Rilda Canyon.

United States Forest Service, Manti-LaSal District on June 4, 2018 initiated a prescribed burn on Trail Mountain adjacent to Cottonwood Canyon fifteen miles northwest of Orangeville, Utah. The prescribed burn escaped containment and crossed the Cottonwood Canyon Road on June 6, 2018 and slowly migrated up the western side of East Mountain. Later in the week, high winds exceeding 50 mph pushed the fire east over the top of East Mountain into the sub-drainages of Huntington Canyon. Sub-drainages of Huntington Canyon affected by the Trail Mountain Wildfire include: Deer Creek (limited areas), Meetinghouse Canyon, Rilda Canyon, Mill Fork Canyon, Little Bear Canyon, Crandall Canyon and Blind Canyon (limited). Ultimately, the Trail Mountain Wildfire fire consumed approximately 18,000 acres, mostly on East Mountain.

As the fire engulfed Rilda Canyon on June 11, 2018, PacifiCorp's subcontractors working on reclamation activities in the Left Fork and demolition of the 1st Right Portal facilities were instructed to move all mobile equipment to the 1st Right Portal pad and discontinue work in the area. PacifiCorp personnel were allowed access to assess the condition of the construction equipment in Rilda Canyon while fire crews tried to contain the fire. None of the equipment temporarily stored on the 1st Right Portal Pad was damaged by the fire, albeit the discontinued powerline which serviced Rilda Canyon mining locations was severely impacted. Forest Service crews began immediately addressing potential post fire flooding mitigations as the fire continued to progress northward from Rilda Canyon.

On June 21, 2018 USFS personnel approached PacifiCorp with a proposal for taking over control of PacifiCorp's Left Fork access road from the end of Emery County Road #306 and the Left Fork Portal Pad area for post-fire mitigation purposes. An on-site meeting was held on June 29, 2018 with DOGM, USFS and PacifiCorp to discuss the USFS proposal and Surface Mining and

Reclamation Control Act (SMRCA) permitting requirements to facilitate this emergency action. USFS recommended utilizing the existing disturbed area access road to the site and the pad for a debris catchment basin. Flow from the Left Fork and southern sub-drainage would be diverted to the debris basin with an outfall reporting to the Left Fork downstream of the existing pad. USFS stated that, due to the severity of the Trail Mountain fire, there is a high probability of significant debris flows sourced from burned areas within the Left Fork Rilda drainage basin. Debris flows would impact municipal water supplies (North Emery Water Users Special Service District) just east of the First Right Rilda Portals located in the main Rilda Canyon drainage basin. USFS had equipment and personnel available to immediately implement the Left Fork debris catchment basin. DOGM requested that the USFS transmit a letter stating that the USFS assume all responsibility for the 2.33 acres of the Left Fork Rilda Portal disturbance area, which included the road required to access the site and topsoil required to reclaim the site to accommodate access to the site and the debris basin.

During the meeting PacifiCorp provided an update concerning Deer Creek Mine closure and reclamation activities of the Left Fork:

PacifiCorp decommissioned the Deer Creek Mine in December of 2017:

- Permanent high-strength concrete seals were constructed in the Left Fork portals:
 - Intake Portal 12/19/2017
 - Fan Portal 12/20/2017
- Demolition of the structures completed 2/2018
- Backfilled the intake and return portals with 25' of non-combustible fill – 2/2018
- MSHA approved sealing of the Left Fork portals February 2018 – mine declared “abandoned”
- PacifiCorp retained an independent contractor to complete the final phase of reclamation of the Left Fork Portals. Crews mobilized equipment to the Left Fork on June 4, 2018.

Subsequent to the meeting held on June 29, 2018, the USFS stated that they would accept responsibility and could approve final reclamation of the Left Fork Rilda disturbance area to accommodate the construction of a debris catchment basin by the USFS, provided that PacifiCorp conduct the following:

- Remove 3-foot Hilfiker welded wire substation retaining wall
- Remove guardrail at the Left Fork Rilda Portal site and along the entire length of access road
- Install a locking gate across the access road.

Once these three activities were completed, USFS would assume all responsibility for the 2.33 acres of the Left Fork Rilda Portal disturbance area, which will include the road required to access the site and topsoil required to reclaim the site.

INCORPORATED

JAN 29 2019

PacifiCorp notified the parties involved (USFS and DOGM) on July 9, 2018 that work on the project itemized above was completed.

PacifiCorp received a copy of a letter transmitted by the USFS, Darren Olsen, Ferron District Ranger, to DOGM, Darron Haddock, Coal Program Manager, signed July 2, 2018. The letter explained the rationale for the action and stated that "FS taking control over this area for post-fire mitigation purposes and removing these sites from the mine permit, this action absolves PacifiCorp from any further reclamation obligations and performance standards for these areas being removed from the mine permit."

USFS field crews initiated work on the debris basin on July 17, 2018. Construction activities were completed by the USFS on July 25, 2018 (see attached photos and drawings).

INCORPORATED

JAN 29 2019

Div. of Oil, Gas & Mining

DEER CREEK MINE

C/015/0018

Volume 2 R645-301-500: Engineering Appendix R645-301-500-B Rilda Canyon Left Fork Portal Facilities

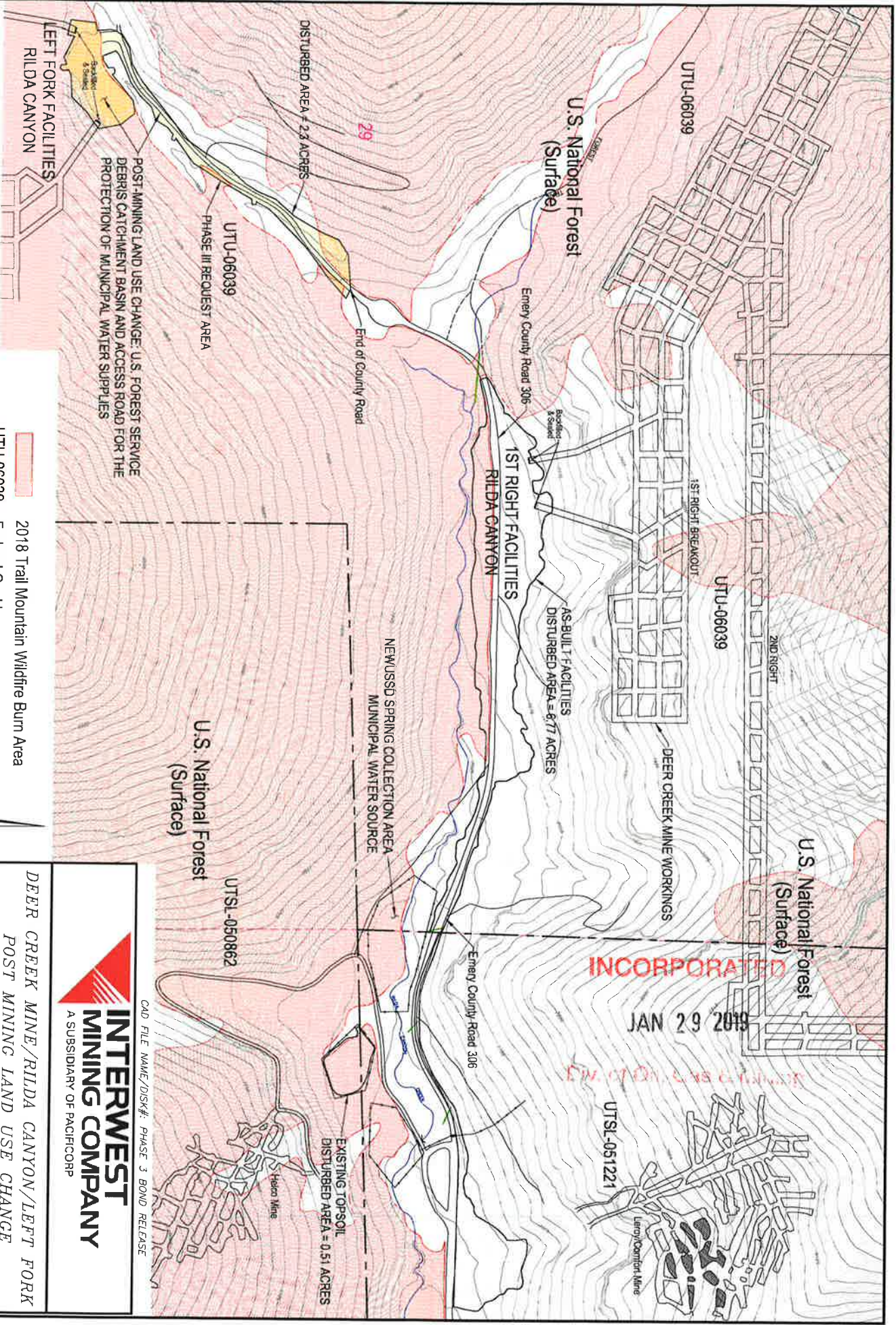


Drawings and Photos

INCORPORATED

JAN 29 2019

Div. of Oil, Gas & Mining



UTU-06039

2018 Trail Mountain Wildfire Burn Area
Federal Coal Lease

NE 1/4 SW 1/4 & NW 1/4 SE 1/4
Section 29 T 16S., R. 7E.



CAD FILE NAME/DISK#: PHASE 3 BOND RELEASE

INTERVEST MINING COMPANY
A SUBSIDIARY OF PACIFICORP

DEER CREEK MINE/RILDA CANYON/LEFT FORK
POST MINING LAND USE CHANGE
PHASE III BOND RELEASE

DRAWN BY:	K. LARSEN	DRAWING #:	*****
SCALE:	1" = 400'	SHEET	1 OF
DATE:	SEPTEMBER 4, 2018	REV.	

Rilda Canyon
Left Fork Debris Basins

July 25, 2018

View: Looking South



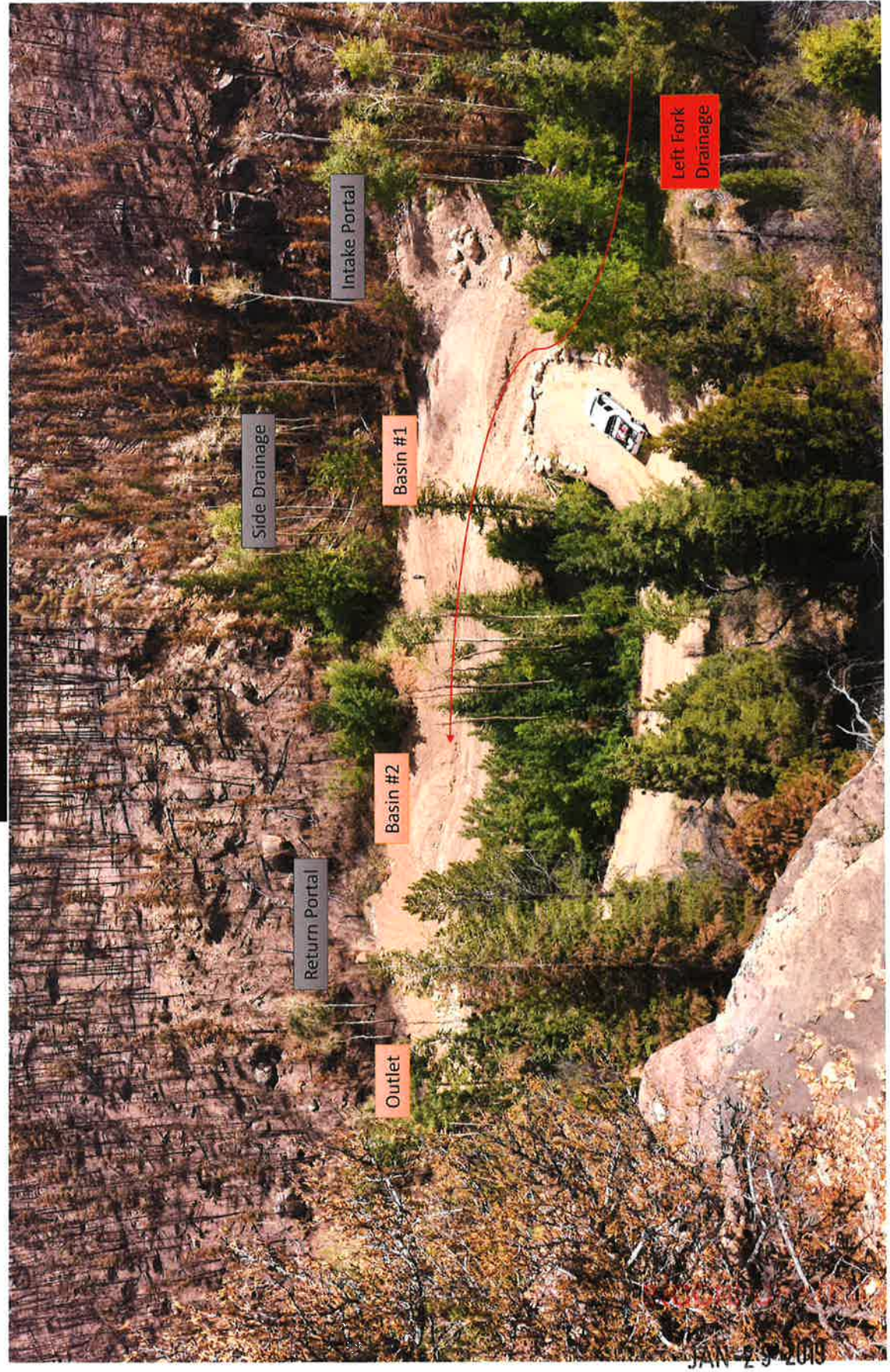
INCORPORATED

JAN 29 2019

Div. of Oil, Gas & Mining

Rilda Canyon
Left Fork Debris Basins
July 25, 2018
View: Looking South

Storm Flow Path



Rilda Canyon
Left Fork Culvert Inlet

July 25, 2018
View: Looking East



INCORPORATED

JAN 29 2019

Div. of Oil, Gas & Mining

DEER CREEK MINE

C/015/0018

Volume 2 R645-301-500: Engineering
Appendix R645-301-500-B
Rilda Canyon Left Fork Portal Facilities



OSM and DOGM Phase III Approvals

INCORPORATED

JAN 29 2019



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



January 29, 2019

Mr. John Baza, Director
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Re: Phase III Bond Release Application, Task #5775; PacifiCorp; Deer Creek Mine; C/015/0018

Dear Mr. Baza:

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement's (OSMRE) receipt and review of the Utah Division of Oil, Gas and Mining's (DOGM) subject Decision Document, dated January 7, 2019. Under Task #5775, PacifiCorp requests Phase III bond release on 2.33 acres at the Deer Creek Mine, Rilda Canyon Left Fork Facilities area. DOGM notes PacifiCorp's compliance with the approved Utah regulatory program at R645-301-880 *et seq* and recommends authorizing final bond release on all 2.33 acres. OSMRE participated in the Rilda Canyon Left Fork Facilities field evaluation on November 27, 2018.

Mineral ownership associated with the subject parcel is federal; accordingly, the Bureau of Land Management provided its concurrence with DOGM's decision by letter dated December, 2018. We interpret this to mean that PacifiCorp is in compliance with all applicable mineral lease stipulations. The subject parcel occurs within the Manti-La Sal National Forest; the US Forest Service likewise provided its concurrence by letter dated December 4, 2018. PacifiCorp requests, and DOGM proposes to grant, reclamation liability release only and no reduction in the current bond amount of \$3,374,000. In accordance with 30 CFR § 740.15 (d)(3) and 30 CFR § 944.30, Article IX, Section B of the State-Federal Cooperative Agreement, OSMRE provides its concurrence with this action.

Please direct any questions to Tom Medlin, Environmental Protection Specialist, at (303) 293-5083.

Sincerely,

Howard E. Strand, Manager
Denver Field Branch

c: PacifiCorp

INCORPORATED

JAN 29 2019

Div. of Oil, Gas & Mining



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 29, 2019

Kenneth Fleck, Manager of Geology and Environmental Affairs
Interwest Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Phase III Bond Release Approval, PacifiCorp, Deer Creek Mine, C/015/0018, Task #5775

Dear Mr. Fleck:

The application for the Phase III Bond Release Mine is approved. PacifiCorp's Phase III bond release request is for 2.33 acres at the Deer Creek Mine, Rilda Canyon Left Fork Facilities area. A bond release inspection was conducted on November 27, 2018, which included representatives from the Interwest Mining Company, Bureau of Land Management, Emery County, US Forest Service, Office of Surface Mining, Utah Division of Wildlife Resources and Utah Division of Oil, Gas and Mining. A Phase III Bond Release decision was prepared by the Division of Oil, Gas and Mining and distributed to OSM on January 7, 2019 with recommendation for approval.

The OSM, Denver Field Division, submitted a letter dated January 29, 2019 which agreed with the Division's findings and decision document and concurred with the bond release action. The OSM letter of concurrence is enclosed for your records.

At this time, please submit a C2 form for instructions on updating the Mining Reclamation Plan.

If you have any questions, please contact Steve Christensen at (801)538-5350.

Sincerely,

John R. Baza
Director

INCORPORATED

JAN 29 2019

JRB/SKC/sqs
Enclosed
O:\015018.DER\WG5775 BOND RELEASE\Approve.doc

